

# **Low Income Home Energy Assistance Program**

## **Fall Meetings 2012-13**

# IHCDA's MISSION

The Indiana Housing and Community Development Authority (IHCDA) creates housing opportunity, generates and preserves assets, and revitalizes neighborhoods by investing financial and technical resources in the development efforts of qualified partners throughout Indiana.

## STRATEGIC PRIORITIES

Ending Homelessness

Comprehensive Community Development

Aging in Place

Individual Self Sufficiency

**High Performance Building**



Indiana Housing & Community Development Authority

# DEPARTMENT OF ENERGY PROGRAMS

## IHCDA EAP STAFF

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# PROGRAM ISSUES FROM 2012

## Allocation

- Changed to 2010 Census Data
- State allocation cut by 27 percent
- Reduced funding to start the program year
- Required summer cool administrative expenses

## Software

- Database down at the start of the season
- Transmittal issues

## Intake and Service Delivery

- Excessively warm winter which decreased number of potential clients
- Decreased client benefit amount
- Changed timeline for mailing and processing mail-in applications
- Required utilities in a household member's name

## Monitoring and Compliance

- Scheduling visits during time when key staff wasn't available
- Numerous income calculation issues

# UPDATES TO THE STATE PLAN

## **Benefit Amount**

- Increased the price per point from \$15 to \$20

## **Extending the Winter Program**

Heating assistance will be extended through September 30, in lieu of summer cooling assistance, if either of the following conditions exists on May 15:

- a significant number of agencies have not obligated their heating assistance funds and have the administrative capacity to continue conducting client eligibility for those clients awaiting heating assistance
- a significant number of agencies have extensive waiting lists of clients who have not been served with heating assistance, and those agencies have the administrative capacity to continue conducting client eligibility for those clients awaiting heating assistance

## **Summer Cool Benefits**

Financially eligible households with at least one elderly individual, disabled individual, or with a child under 6 are eligible for:

- A room air conditioner (if medically necessary); and,
- A payment to their electric utility company not to exceed \$150.

# FUNDING IN PREVIEW

Year	Block Grant Funding	Funding Received	Households Served	Avg Benefit Amt
2010	5.1 billion	117.5 million	186,625	\$382
2011	4.5 billion	107.5 million	168,576	\$378
2012	3.47 billion	79.9 million 1.1 million in state funds	134,166 2,307 from state funds	\$233 \$261.82

## 2013 Budget Proposals

- President's budget proposed funding at \$3.0B
- House and Senate Bill proposed \$3.4B with different formulas

## Expected Budget Issues

- House and Senate formulas have different formulas
- Expecting a six-month continuing resolution (CR)
- Congress must develop deficit reduction plan
- Issues with Heat and Eat programs

# STATE ENERGY ASSISTANCE PROGRAM

- Energy Assistance was slated to receive \$28 million from the multi-state mortgage settlement.
- IHCD sends the amount of benefit expenditures for the state fiscal year (July 1- June 30). The State Budget Agency estimates how much the clients paid in taxes. Those funds are remitted to IHCD.
- Benefits will be distributed to **homeowners only**, per legislation.
- Benefits will be distributed using the proposed allocation process:
  - Homeowners will receive a benefit amount; which will be processed using the automated flush process and allocated to the heating source.
  - A percentage will be allocated to weatherization activities.
  - A fund will be set up and allocated to each agency to support leveraging types of activities.

# CONTRACTS AND BUDGETS

## Contract Components

- Budget Requirements (Section 4)
- Financial Reporting and Transmittals (Section 5)
- File Retention Policy (Section 5)
- Recapture and reallocate funds (Section 6)
- Air Conditioner Distribution (Section 8)
- FFATA Reporting (Section 29)

## Attachment A

- Outlines the award amount
- How costs are claimed

## Blank Budget Form

- Must be completed and returned with the signed contract



# EAP BUDGET NARRATIVE

## Administrative Line Items

Eligibility (based on expenditures)

Program Support (total award)

Family Development (total award)

9%

3%

2%

**Cannot exceed 12%**

## Energy Education

Energy Education and Materials/Supplies

Up to 4% of total award

## Regular/Crisis Assistance

Regular Assistance

Crisis Assistance

Must set aside 10% budget thru 3/15/13

## Summer Cool Program

Summer Cool Benefits

Summer Cool A/Cs

Will not budget until after winter ends

*\*\*Note that Summer Cool Admin will be eliminated starting FY2013*

# COMMON BUDGET ISSUES

## Contracts Amendments/Budget Modifications

- Contracts will be distributed annually
- Start all budget modifications at #1 with each year
- Budgets have exceeded required percentages
- Budget modifications do not match the amounts paid on IHCDCA online

## Administrative Expenses

- Spend more in eligibility expenses than were distributed in benefits
- Submit claims when there are no funds available

## Energy Education

- Overestimate Energy Education and then reducing the line item substantially at the end of the program year

# EAP PROGRAM CARRYOVER

**The State Program is allowed to carryover up to 10 percent of the total award.**

## **FY2013 EAP Budget Projection Schedule**

- January/February 2013
- March/April 2013
- June 2013
- August 2013

## **Common Issues with Budget Projections**

- Overestimate line items until the end of the program and have a large carryover amounts.
- Benefit projections do not include transmittals that are pending approval from utility vendors.
- Underestimated eligibility expenses and overdrawn allowable budget percentages.

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# EAP CLAIMS PROCESS

## **Administrative Expenses (Eligibility and Program Support)**

- Reports from accounting software
- Invoices, purchase orders, and receipts as needed

## **Energy Education**

- Application Actions Report
- Sign in sheets
- Invoices, purchase orders, and/or receipts for materials/supplies

## **Family Development**

- Timesheets, paystubs, or payroll records denoting staff time spent on family development

# COMMON EAP CLAIMS ISSUES

## Administrative Expenses

- Items listed under “miscellaneous”, “other”, or “professional services” without descriptions or supporting documentation
- Credit card charges on accounting reports without sending supporting documentation
- Supplies without a description

## Energy Education

- Send a reconciliation report to claim missing households without sending the corresponding reports or sign-in sheets

## Family Development

- Payroll records do not clearly identify family development hours

# EAP CLOSEOUT PROCESS

## Updates to Form

- In-kind donations have been deleted from the form
- Summer Cool Admin Funds have been deleted

## Process for Completing Closeout

- Final budget line items should equal closeout form
- If you have make budget modifications during closeout process, you will need to submit a new budget with the closeout form
- Must be completed within 60 days from completion of the season (or 11/30)

# UTILITY VENDOR PRESENTATIONS & ROUNDTABLES

## South

Duke Energy  
Vectren  
Midwest Natural Gas

## Energy Efficiency

Duke CFL Program  
Energizing Indiana

## North

NIPSCO  
Vectren  
Duke Energy

## Energy Efficiency

Duke CFL Program  
Energizing Indiana

## Central

Indianapolis Power &  
Light  
Citizens Energy  
Group  
Duke Energy  
Vectren  
NIPSCO

## Energy Efficiency

Duke CFL Program  
Energizing Indiana



# UNDERPAYMENTS

- If the review is completed and it is found that the client was due additional funds, then an additional transmittal is submitted to the vendor for the additional funds.
- These additional funds will be paid out of the agency's current allocation. If the agency has spent out all program funds and an additional amount is owed, it must be paid by the Community Action Agency using non-federal funds.
- Agencies should continue to charge underpayments to their current grant allocation, as long as the funds are available. Additional funds will not be allocated, nor will leveraging funds be available to cover underpayments.

# OVERPAYMENT RECOVERY PROCESS

**You must complete all of these items to ensure that the process is completed properly.**

- Contact the client because the client may need a payment arrangement
- Notify the vendor immediately (with the transmittal and remittance)
- Vendor will sign and send transmittal to CAA
- Vendor will send remittance and check to IHCD
- IHCD will closeout the overpayment unless the vendor rejects
- If vendor rejects, IHCD will send an invoice to the agency

**Review Section 600 of EAP Program Operations Manual**

# OVERPAYMENTS

- An overpayment occurs when it is found that a client was overpaid. There are funds that need to be returned to the program.
- The money is not due to the client, nor does it get added back into the agency's budget.
- Agencies cannot pay for negative adjustments to client benefits with federal funds (Leveraging, CSBG, or otherwise). Agencies must pay for the overpayments from their corporate unrestricted funds. Overpayments will be applied back to the block grant, not the individual agency's budget.
- Please note that utility vendors have the option to decline the overpayment request because services and/or discounts have been rendered to clients. If utility vendors opt not to pay for overpayments or put charges back on clients' accounts, the agencies will be required to remit the funds back to IHCD from its private, corporate funds. IHCD will send a remittance for payment to the CAA.

# COMMON ISSUES WITH OVERPAYMENTS

- Agency have contacted utility vendors about overpayments, but have not submitted overpayment remittances in RIAA for payment

# COMMON ISSUES WITH FISCAL REVIEW

- Agencies do not have the signed confirmation sheet from the utility vendors
- The amount of the transmittals submitted for payment does not equal the amount that the utility vendor approved on the signature sheet
- The transmittals took longer than 5 days to be remitted to IHCD for payment after they were approved by the utility vendor

# REFUNDS

## Why does a client have a refund?

- The client has moved and left a credit on the account.
- The credit can include a winter benefit as well as summer benefits.

## Who distributes the refunds?

- The utility vendor will make a reasonable effort to send the payment to the client.
- If the utility is unable to reach the client, then the vendor should send the payment to IHCD.
- IHCD will hold for three years.

## How does the client get the refund from IHCD?

- The client ,or estate if the client has passed, must complete and notarize the refund affidavit.
- Refunds are processed within two weeks of receipt.
- Please note that IHCD will ask the client for a copy of a new utility bill before distributing the refund.

# WHAT IS PROGRAM INTEGRITY?

**Program Integrity-multi-faceted approach to protect LIHEAP funds from fraud, waste, and abuse**

## SSN & Income Verification

- SSNs required for all residents age 1 and over
- Clients must provide documentation or affidavits to certify income
- Zero income claimants must sign income verification form and provide Work One Inquiry

## Monitoring

- Agencies are required to monitor at least 30% of their files annually
- State will hire monitoring consultants
- State will monitor 3% of all client eligibility files for the year

## Quality Improvement Plan

- Agencies with an error rate of 20% or higher are eligible for additional monitoring, training, and technical assistance

# COMMON MONITORING ISSUES

## Income Calculation

- Social security calculations
- Earned income calculations
- Unemployment calculations

## Missing Information

- Missing leases or landlord affidavits

## Missing Files

- Unable to locate files

## Incomplete Forms

- Must complete landlord affidavits and income verification forms in their entirety

## Utility Forms

- Ensure that documentation includes client's name and service address

# PROGRAM INTEGRITY MONITORING REPORT CARD

	2009	2010	2011	2012
# Files Monitored	1,274	1,461	5,001	3,210*
Total # Findings	52	73	117	199
Total # Concerns	120	87	344	266
Funds Paid to IHCD	\$1,734	\$2,380	\$3,773	\$8,294
Credits to Clients	\$870	\$1,280	\$1,480	\$1,749
Error Rate	12%	9%	9%	14%

*\*Please note that 9 agencies have not completed their review.*



# QUESTIONS??

**For additional questions  
about CSBG and EAP,  
please contact  
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